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United States Department of Agriculture
SERVICE AND REGULATORY ANNOUNCEMENTS No. 101
(AGRICULTURAL ECONOMICS)

REGULATIONS

OF THE SECRETARY OF AGRICULTURE
UNDER THE

UNITED STATES WAREHOUSE ACT OF AUGUST 11, 1916

AS AMENDED

REGULATIONS FOR WAREHOUSEMEN STORING CANNED FOODS

APPROVED AUGUST 11, 1926
ISSUED SEPTEMBER, 1926

WASHINGTON : GOVERNMENT PRINTING OFFICE : 1926

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UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY.

By virtue of the authority vested in the Secretary of Agriculture by the United States warehouse act, approved August 11, 1916 (39 U. S. Stat. L., p. 486), as amended, I, C. F. Marvin, Acting Secretary of Agriculture, do make, prescribe, publish, and give public notice of the following rules and regulations to be known as the regulations for warehousemen storing canned foods and to be in force and effect until amended or superseded by rules and regulations which may hereafter be made by the Secretary of Agriculture under said act.

In testimony whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the city of Washington this 11th day of August, 1926.



C. F. Marvin

Acting Secretary of Agriculture.

REGULATIONS FOR WAREHOUSEMEN STORING CANNED FOODS UNDER THE UNITED STATES WAREHOUSE ACT

Regulation 1. Definitions

Words import singular or plural.

SECTION 1. Words used in these regulations in the singular form shall be deemed to import the plural, and vice versa, as the case may demand.

Terms defined.

SEC. 2. For the purpose of these regulations, unless the context otherwise require, the following terms shall be construed, respectively, to mean:

Canned foods.

Paragraph 1. Canned foods.—Fruits and vegetables sterilized by heat and preserved in hermetically sealed containers.

The act.

Par. 2. The act.—The United States warehouse act, approved August 11, 1916 (39 Stat. 446, 486), as amended.

Person.

Par. 3. Person.—An individual, corporation, partnership, or two or more persons having a joint or common interest.

Secretary.

Par. 4. Secretary.—The Secretary of Agriculture of the United States.

Chief of the bureau.

Par. 5. Chief of the bureau.—The Chief of the Bureau of Agricultural Economics.

Regulations.

Par. 6. Regulations.—Rules and regulations made under the act by the Secretary.

Bureau.

Par. 7. Bureau.—The Bureau of Agricultural Economics of the United States Department of Agriculture.

Warehouse.

Par. 8. Warehouse.—Unless otherwise clearly indicated by the context, any suitable building, structure, or other protected inclosure in which canned foods are or may be stored for interstate or foreign commerce, or, if located within any place under the exclusive jurisdiction of the United States, in which canned foods are or may be stored and for which a license has been issued under the act.

Warehouseman.

Par. 9. Warehouseman.—Unless otherwise clearly indicated by the context, any person lawfully engaged in the business of storing canned foods and holding a warehouse license.

License.

Par. 10. License.—A license issued under the act by the Secretary.

Licensed warehouseman's bond.

Par. 11. Licensed warehouseman's bond.—A bond required to be given under the act by a licensed warehouseman.

Licensed inspector.

Par. 12. Licensed inspector.—A person licensed under the act by the Secretary to inspect, to sample, to grade, and to certificate the grade and condition for storage of canned foods.

Receipt.

Par. 13. Receipt.—A licensed warehouse receipt issued under the act, unless otherwise specified.

Case.

Par. 14. Case.—The number of cans filled with fruits or vegetables which, depending upon the size of the cans, customarily make up a unit commonly known as a case of canned foods. For the purpose of these regulations, the products may be either cased or uncased.

Regulation 2. Warehouse Licenses

Application form.

SECTION 1. Applications for licenses and for modifications or extensions of licenses under the act shall be made to the Secretary upon forms prescribed for the purpose and furnished by the bureau, shall truly state the information therein contained, and shall be signed by the applicant. The applicant shall at any time furnish such additional information as the Secretary or the chief of the bureau shall find to be necessary to the consideration of his application.

Grounds for not issuing license.

SEC. 2. A license for the conduct of a warehouse shall not be issued if it be found by the Secretary that the warehouse is not suitable for the proper storage of canned foods, that the warehouseman is incompetent to conduct such warehouse in accordance with the act and these regulations, or that there is any other sufficient reason within the purposes of the act for not issuing such license.

Net assets required.

SEC. 3. The warehouseman conducting a warehouse licensed or for which application for license has been made under the act shall have and maintain above all exemptions and liabilities net assets liable for the payment of any indebtness arising from the conduct of the warehouse, to the extent of at least twenty (20) cents per case of the maximum number of cases that the warehouse will accommodate when stored in the manner customary to the warehouse as determined by the chief of the bureau, except that the amount of such assets shall not be less than $5,000, and need not be more than $100,000.

If such warehouseman has applied for licenses to conduct two or more warehouses in the same State, the assets applicable to all of which shall be subject to the liabilities of each, such warehouses shall be deemed to be one warehouse for the purposes of the assets required under this section. For the purposes of this section only, paid-in capital stock, as such, shall not be considered a liability. Any deficiency in the required net assets may be supplied by an increase in the amount of the warehouseman's bond in accordance with regulation 3, section 2, paragraph 2.

License or extension shall be posted.

SEC. 4. Immediately upon receipt of his license or of any modification or extension thereof under the act, the warehouseman shall post the same, and thereafter, except as otherwise provided in these regulations, keep it posted until suspended or terminated, in a conspicuous place in

the principal office where receipts issued by such warehouseman are delivered to depositors.

Suspension, cancellation, or revocation of warehouse licenses.

SEC. 5. Pending investigation, the Secretary, whenever he deems necessary, may suspend a warehouseman's license temporarily without hearing. Upon written request and a satisfactory statement of reasons therefor, submitted by a warehouseman, the Secertary may, without hearing, suspend or cancel the license issued to such warehouseman. The secretary may, after opportunity for hearing when possible has been afforded in the manner prescribed in this section, cancel a license issued to a warehouseman when such warehouseman (*a*) is bankrupt or insolvent; (*b*) has parted, in whole or in part, with his control over the licensed warehouse; (*c*) is in process of dissolution or has been dissolved; (*d*) has ceased to conduct such licensed warehouse; or (*e*) has in any other manner become incompetent or incapacitated to conduct the business of the warehouse. Whenever any of the conditions mentioned in subdivisions (*a*) to (*e*) of this section shall come into existence it shall be the duty of the warehouseman to notify immediately the chief of the bureau of the existing condition. Before a license is revoked or canceled for any violation of, or failure to comply with, any provision of the act, or of these regulations, or upon the ground that unreasonable or exorbitant charges have been made for services rendered, the warehouseman involved shall be furnished by the Secretary, or his representative, a written statement specifying the charges and shall be allowed a reasonable time within which he may answer the same in writing and apply for a hearing, an opportunity for which shall be afforded in accordance with regulation 10, section 4.

Return of terminated, revoked, suspended, or canceled warehouse license.

SEC. 6. When a license issued to a warehouseman terminates or is suspended, revoked, or canceled by the Secretary, it shall be returned to the Secretary. At the expiration of any period of suspension of such license, unless it be in the meantime revoked or canceled, the dates of the beginning and termination of the suspension shall be indorsed thereon, and it shall be returned to the licensed warehouseman to whom it was originally issued, and it shall be posted as prescribed in section 4 of this regulation; provided, that in the discretion of the chief of the bureau a new license may be issued without reference to the suspension.

Lost or destroyed warehouse license.

SEC. 7. Upon satisfactory proof of the loss or destruction of a license issued to a warehouseman, a duplicate thereof may be issued under the same or a new number at the discretion of the Secretary.

Unlicensed warehousemen must not represent themselves as licensed.

SEC. 8. No warehouse or its warehouseman shall be designated as licensed under the act and no name or description conveying the impression that it or he is so licensed shall be used, either in a receipt or otherwise, unless such warehouseman holds an unsuspended, unre-

voked, and uncanceled license for the conduct of such warehouse.

Regulation 3. Warehouse Bonds

Time of filing.

SECTION 1. Unless the warehouseman has previously filed with the Secretary the necessary bond required by section 2 of this regulation, he shall file such bond within a time, if any, specified by the Secretary, such bond to cover all obligations arising thereunder during the period of the license.

Amount based on storage capacity.

SEC. 2. *Paragraph 1.* Exclusive of any amount which may be added in accordance with paragraphs 2 and 3 of this section, the amount of such bond shall be at the rate of twenty (20) cents per case of canned foods of the maximum number of cases that the warehouse will accommodate when stored in the manner customary to the warehouse for which such bond is required, as determined by the chief of the bureau, but not less than $5,000 nor more than $50,000. If such warehouseman has applied for licenses to conduct two or more warehouses in the same State, the assets applicable to all of which shall be subject to the liabilities of each, and shall desire to give a single bond meeting the requirements of the act and these regulations for said warehouses, such warehouses shall be deemed to be one warehouse for the purposes of the bond required under this regulation. The amount of any bond covering more than one warehouse shall be determined on the same basis as for a single warehouse, but with the maximum amount raised to $100,000.

Additional amount for deficiency in net assets.

Par. 2. In case of a deficiency in net assets under regulation 2, section 3, there shall be added to the amount of the bond fixed in accordance with paragraph 1 of this section an amount equal to such deficiency.

Additional amount for special conditions.

Par. 3. If the Secretary finds the existence of conditions warranting such action, there shall be added to the amount fixed in accordance with paragraphs 1 and 2 of this section a further amount, fixed by him, to meet such conditions.

Extension or modification of license and additional bond.

SEC. 3. If application is made under regulation 2, section 1, for a modification or an extension of a license, and no bond previously filed by the warehouseman under this regulation covers obligations arising during the period of such modification or extension, the warehouseman shall, when notice has been given by the Secretary or his representative, that his application for such modification or extension will be granted upon compliance by such warehouseman with the act, file with the Secretary, within a time, if any, fixed in such notice, a bond complying with the act, unless bond in sufficient amount has been filed since the filing of such application. In the discretion of the Secretary, a properly executed instrument in form approved by him, amending, extending, or

continuing in force and effect the obligations of a valid bond previously filed by the warehouseman and otherwise complying with the act and these regulations, may be filed in lieu of a new bond.

New bond required to continue license beyond one year.

SEC. 4. Whenever a continuous form of license has been issued, such license shall not be effective beyond one year from its effective date unless the warehouseman shall have filed a new bond in the required amount with, and such bond shall have been approved by, the Secretary prior to the date on which that license would have expired had it been issued for but one year, subject to the provisions of section 3 of this regulation.

Approval of bond.

SEC. 5. No bond, amendment, or continuation thereof shall be deemed accepted for the purpose of the act and these regulations until it has been approved by the Secretary.

Regulation 4. Warehouse Receipts

Contents of negotiable and nonnegotiable receipts.

SECTION 1. *Paragraph 1.* Every receipt, whether negotiable or nonnegotiable, issued for canned foods stored in a warehouse shall, in addition to complying with the requirements of section 18 of the act, embody within its written or printed terms the following: (*a*) The name of the licensed warehouseman and the designation, if any, of the warehouse; (*b*) the license number of the warehouse; (*c*) a statement whether the warehouseman is incorporated or unincorporated, and if incorporated, under what laws; (*d*) the lot number given to each lot of canned foods, in accordance with regulation 5, section 9; (*e*) a statement conspicuously placed, whether or not the canned foods are insured, and if insured, to what extent, by the warehouseman against loss by fire, lightning, or tornado; (*f*) a blank space designated for the purpose in which the kind of canned foods shall be stated; (*g*) a blank space where the code, can, or other identifying marks may be stated; (*h*) blank spaces where statements may be made indicating whether the canned foods are cased or uncased, labeled or unlabeled, and if labeled, the principal title of the label; (*i*) the number of cases and size of containers or cans; (*j*) the words "Negotiable" or "Nonnegotiable"; and (*k*) whether the receipt is an "original," "duplicate," or "copy," according to the nature of the receipt, clearly and conspicuously printed or stamped thereon.

Storage period.

Par. 2. Every receipt, whether negotiable or nonnegotiable, issued for canned foods stored in a warehouse shall specify a period, not exceeding one year, for which the canned foods are accepted for storage under the act and these regulations. Upon demand and surrender of the old receipt by the lawful holder thereof at or before the expiration of the period specified, the warehouseman, upon such lawful terms and conditions as may be granted

by him to other depositors of canned foods in his warehouse, if he then continues to act as a licensed warehouseman, shall issue a new receipt for a further specified period, not exceeding one year; provided it is actually determined by a licensed inspector that the canned foods have not deteriorated and that they are in proper condition for storage for another year. If the warehouseman continues to act as a public but not as a licensed warehouseman, he may issue a new nonlicensed receipt.

Additional contents of receipt.

Par. 3. The grade stated in a receipt issued for canned foods stored in a warehouse shall be stated as determined by the licensed inspector who last inspected the canned foods before the issuance of such receipt, and such receipt shall embody within its written or printed terms the following: (*a*) That the canned foods covered by the receipt were inspected by a licensed inspector, and (*b*) a form of indorsement which may be used by the depositor, or his authorized agent, for showing the ownership of, and liens, mortgages, or other encumbrances on the canned foods covered by the receipt.

Statement of grade of canned foods.

Par. 4. Whenever the grade of canned foods is stated in a receipt issued for canned foods stored in a warehouse, such grade shall be stated in accordance with regulation 8.

When grade omitted, receipt must be marked.

Par. 5. If a warehouseman issues a receipt omitting the statement of grade on request of the depositor as permitted by section 18 of the act, such receipt shall have clearly and conspicuously stamped or written on the face thereof the words "Not graded on request of depositor."

Blank spaces in receipt to be filled in.

Par. 6. If a warehouseman issues a receipt under the act omitting any information not required to be stated, for which a blank space is provided in the form of the receipt, a line shall be drawn through such space to show that such omission has been made by the warehouseman.

Copies of receipts.

SEC. 2. Either actual copies or skeleton copies of all receipts shall be made, and all such copies, except those issued in lieu of the original, in case of lost or destroyed receipts, shall, if there be no statute of the United States or law of a State providing otherwise, have clearly and conspicuously printed or stamped thereon the words "Copy—Not negotiable."

Lost or destroyed receipts.

SEC. 3. *Paragraph 1.* In the case of a lost or destroyed receipt, if there be no statute of the United States or law of a State applicable thereto, a new receipt upon the same terms, subject to the same conditions, and bearing on its face the number and the date of the receipt in lieu of which it is issued and a plain and conspicuous statement that it is a duplicate issued in lieu of a lost or destroyed receipt, may be issued upon compliance with the conditions set out in paragraph 2 of this section.

Affidavit of loss or destruction of receipts.

Par. 2. Before issuing such duplicate receipt the warehouseman shall require the depositor or other person applying therefor to make and file with the warehouseman (*a*) an affidavit showing that he is lawfully entitled

to the possession of the original receipt, that he has not negotiated or assigned it, how the original receipt was lost or destroyed, and, if lost, that diligent effort has been made to find the receipt without success and (*b*) a bond in amount double the value, at the time the bond is given, of the canned foods represented by the lost or destroyed receipt. Such bond shall be in the form approved for the purpose by the Secretary, shall be conditioned to indemnify the warehouseman against any loss sustained by reason of the issuance of such duplicate receipt, and shall have as surety thereon (*a*) preferably a surety company which is authorized to do business, and is subject to service of process in a suit on the bond, in the State in which the warehouse is located, or (*b*) at least two individuals who are residents of such State and each of whom owns real property therein having a value, in excess of all exemptions and encumbrances, to the extent of double the amount of the bond.

Approval of form and printing of receipts.

SEC. 4. No receipt shall be issued by a licensed warehouseman except it be (1) in form prescribed by the chief of the bureau; (2) upon distinctive paper specified by him; (3) printed by a printer with whom the United States has a subsisting contract and bond for such printing; and (4) on paper manufactured by and procured from a manufacturer with whom the United States has a subsisting contract and bond for the manufacture of such paper.

Partial delivery of canned foods.

SEC. 5. If a warehouseman deliver a part only of a lot of canned foods for which he has issued a negotiable receipt under the act, he shall take up and cancel such receipt and issue a new receipt in accordance with these regulations for the undelivered portion of the canned foods. The new receipt shall show the date of issuance and also indicate the number and date of the old receipt.

Return of negotiable receipts necessary before delivery of canned foods. Written order necessary before foods covered by nonnegotiable receipt can be delivered.

SEC. 6. Except as permitted by law or by these regulations, a warehouseman shall not deliver canned foods for which he has issued a negotiable receipt until the receipt has been returned to him and canceled, and shall not deliver canned foods for which he has issued a nonnegotiable receipt until such receipt has been returned to him or he has obtained from the person lawfully entitled to such delivery, or his authorized agent, a written order therefor.

Persons to whom nonnegotiable receipts are issued must furnish warehouseman with names and signatures of parties empowered to make releases.

SEC. 7. Each person to whom a nonnegotiable receipt is issued shall furnish the warehouseman with a statement in writing indicating the person or persons having power to authorize delivery of canned foods covered by such receipt, together with the bona fide signature of such person or persons. No licensed warehouseman shall honor an order for the release of canned foods covered by a nonnegotiable receipt until he has first ascertained that the person issuing the order has authority to order such release and that the signature of the releasing party is genuine.

Warehouseman not to attempt to compel grade to be omitted.

SEC. 8. No warehouseman shall, directly or indirectly, by any means whatsoever, compel or attempt to compel the depositor of any canned foods stored in his licensed warehouse to request the issuance of a receipt omitting the statement of grade.

Regulation 5. Duties of Licensed Warehouseman

Canned foods must be inspected by licensed inspector.

SECTION 1. No licensed warehouseman shall receive canned foods into his licensed warehouse for storage unless an inspector licensed under this act has examined them and found them to be in proper condition and suitable for storage. Under no conditions shall swells, springers, leakers, or rusty cans, or any canned foods known to be in violation of either State or Federal food and drugs laws be accepted for storage.

Insurance against fire, lightning, or tornado.

SEC. 2. *Paragraph 1.* Each warehouseman, when so requested in writing by the depositor of or the lawful holder of the receipt for canned goods, shall, to the extent to which, in the exercise of due diligence, he is able to procure such insurance, keep such canned foods while in his custody insured in his own name, or arrange for their insurance otherwise, to the extent so requested, against loss or damage by fire, lightning, or tornado. When insurance is not carried in the warehouseman's name the receipt shall show that the canned foods are not insured by him. Such insurance shall be covered by lawful policies issued by one or more insurance companies authorized to do such business, and subject to service of process in suits brought, in the State where the warehouse is located. If the warehouseman is unable to procure such insurance to the extent requested, he shall, orally or by telegraph or by telephone and at his own expense, immediately notify the person making the request. Nothing in this section shall be construed to prevent a warehouseman from adopting a rule that he will insure all canned foods.

Notice regarding insurance to be posted.

Par. 2. Each warehouseman shall keep exposed conspicuously in the place prescribed by regulation 2, section 4, and at such other place as the chief of the bureau, or his representative, may from time to time designate, a notice stating briefly the conditions under which canned foods will be insured against loss or damage by fire, lightning, or tornado.

Warehouseman to collect and pay insurance.

Par. 3. Each warehouseman shall take promptly such steps as may be necessary and proper to collect any moneys which may become due under contracts of insurance entered into by him for the purpose of meeting the requirements of these regulations, and shall, as soon as collected, pay promptly to the persons concerned any portion of such moneys which they may be entitled to receive from him.

Premiums, inspection, and reports.

SEC. 3. Each warehouseman shall, in accordance with his contracts with insurance and bonding companies for

the purpose of meeting the insurance and bonding requirements of these regulations, pay such premiums, permit such reasonable inspections and examinations, and make such reasonable reports as may be provided for in such contracts.

Care of canned foods in licensed warehouse.

SEC. 4. Each warehouseman shall at all times exercise such care in regard to canned foods in his custody as a reasonably careful owner would exercise under the same circumstances and conditions.

Care of nonlicensed canned foods or other commodities.

SEC. 5. If at any time a warehouseman shall handle canned foods other than for storage, or shall handle or store any other commodity, he shall so protect the same and otherwise exercise such care with respect to them as not to endanger the canned foods in his custody as a licensed warehouseman or impair his ability to meet his obligations and perform his duties under the act and these regulations. If the warehouseman shall store commodities other than those for which he is licensed, a nonlicensed receipt shall be issued, which shall contain in its terms a provision that said commodities are accepted for storage only until such time as the space which they may occupy may be needed for products for the storage of which the warehouseman is licensed. Under no circumstances shall any commodities for the storage of which the warehouseman is not licensed be stored if the storage of such commodities might adversely affect the commercial value of or impair the insurance on canned foods covered by licensed receipts.

Records to be kept in safe places.

SEC. 6. Each warehouseman shall provide a metal fireproof safe, a fireproof vault, or a fireproof compartment in which he shall keep, when not in actual use, all records, books, and papers pertaining to the warehouse, including his current receipt book, copies of receipts issued, and canceled receipts, except that with the written consent of the chief of the bureau, or his representative, upon a showing by such warehouseman that it is not practicable to provide such fireproof safe, vault, or compartment, he may keep such records, books, and papers in some other place of safety approved by the chief of the bureau or his representative. All canceled receipts shall be arranged by the warehouseman in numerical order as soon as possible after their cancellation and shall be preserved in numerical order thereafter.

Warehouse charges.

SEC. 7. A warehouseman shall not make any unreasonable or exorbitant charge for service rendered. Before a license to conduct a warehouse is granted under the act the warehouseman shall file with the bureau a copy of his rules and a schedule of charges to be made by him if licensed. Before making any change in such rules or schedule of charges, he shall file with the bureau a statement in writing showing the proposed change and the reasons therefor. Each warehouseman shall keep exposed conspicuously in the place prescribed by regulation 2, section 4, and at such other places, accessible to the

public, as the chief of the bureau or his representative may from time to time designate, a copy of his current rules and schedule of charges.

Business hours.

SEC. 8. *Paragraph 1.* Each warehouse shall be kept open for the purpose of receiving canned foods for storage and delivering canned foods out of storage every business day for a period of not less than six hours between the hours of 8 a. m. and 6 p. m., except as provided in paragraph 2 of this section. The warehouseman shall keep conspicuously posted on the door of the public entrance to his office and to his warehouse a notice showing the hours during which the warehouse will be kept open, except when such office or warehouse is kept open continuously from 8 a. m. to 6 p. m.

Closing of warehouse.

Par. 2. If the warehouse is not to be kept open as above required, the notice shall state the period during which it is to be closed and the name and address of an accessible person authorized to make delivery upon lawful demand and surrender of the receipt.

Each lot to be numbered and stack card affixed.

SEC. 9. Each warehouseman shall, upon acceptance for storage of any lot of canned foods, so store the same that the identity of the lot will be preserved. To each lot of canned foods he shall assign a lot number and shall affix a stack card or identification tag, which shall be at all times visible and shall identify the lot.

Information to be shown on stack card.

SEC. 10. The warehouseman shall indicate on the stack card or identification tag mentioned in section 9 of this regulation (*a*) the lot number assigned to the lot of canned foods; (*b*) the number of cases in the lot; (*c*) the size of the cans or containers; (*d*) the can, code, or other identifying marks on the cans, if any; (*e*) the number of the receipt issued covering the lot; (*f*) the date they entered storage; (*g*) the kind and grade of canned foods, when grade is determined.

System of accounts.

SEC. 11. Each warehouseman shall use for his warehouse a system of accounts, approved for the purpose by the chief of the bureau, or his authorized representative, which shall show for each lot of canned foods the name and address of the depositor, the lot number mentioned in section 9 of this regulation, the can, code, or other identifying marks of the lot, the number of cases, size of containers, the grade, when grade is required to be or is ascertained, the dates received for and delivered out of storage, the receipts issued and canceled, a separate record for each depositor, and such accounts shall include a detailed record of all moneys received and disbursed and of all effective insurance policies.

Reports.

SEC. 12. Each warehouseman shall, from time to time, make such reports as the chief of the bureau may require, on forms prescribed and furnished for the purpose by the bureau, concerning the condition, contents, operation, and business of the warehouse.

Copies of reports to be kept.

SEC. 13. Each warehouseman shall keep on file, as a part of the records of the warehouse, for such period as may be prescribed by the bureau, an exact copy of each report submitted by such warehouseman under this regulation.

Canceled receipts to be forwarded to bureau for auditing.

SEC. 14. Each warehouseman, when requested by the bureau, shall forward his canceled receipts for auditing to Washington or to such field offices of the bureau as may be designated from time to time. For the purpose of this section, only such portion as the bureau may designate of each canceled receipt, numbered to correspond with the actual receipt number, need be submitted.

Inspections and examinations of warehouses.

SEC. 15. Each warehouseman shall permit any officer or agent of the Department of Agriculture, including inspectors under the Federal food and drugs act, authorized by the Secretary for the purpose, to enter and inspect or examine at any time any warehouse for the conduct of which such warehouseman holds a license, the office thereof, the books, records, papers, and accounts relating thereto, and the contents thereof, and shall furnish such officer or agent the assistance necessary to enable him to make such inspection or examination under this section.

Inspection of weighing, testing, and measuring apparatus.

SEC. 16. The apparatus used for determining the weight, quantity, or quality stated in a receipt or certificate shall be subject to examination by any officer or agent of the Department of Agriculture employed for such purpose. If the bureau shall disapprove such apparatus, it shall not thereafter, unless such disapproval be withdrawn, be used in ascertaining the weight, quantity, or quality of canned foods for the purposes of the act and these regulations.

Care of warehouse.

SEC. 17. Each warehouseman shall keep the stock stored in his licensed warehouse in an orderly manner, shall provide sufficient aisle space so as to permit easy and ready access to any and all lots of canned foods stored therein, and shall so store each lot as to facilitate sampling of canned foods and inspection for condition. The warehouseman shall at all times keep his warehouse clean.

Not to be stored near radiators or tin roofs.

SEC. 18. The warehouseman shall not stack or cause to be stacked canned foods generally known as acid products in close proximity to steam or hot-water radiators, or immediately under a metal roof.

Proper ventilation necessary.

SEC. 19. The warehouseman shall take such steps as can be consistently taken to so ventilate his storage that a uniformly cool temperature will be maintained in his warehouse.

Must heat to prevent freezing.

SEC. 20. The warehouseman shall provide heat when necessary to avoid freezing.

Signs to be posted.

SEC. 21. *Paragraph 1.* Each licensed warehouseman shall, during the life of his license, maintain suitable signs on the licensed property in such manner as will

give ample public notice of his tenancy of all buildings or parts thereof including his license.

Design and wording.

Par. 2. Such signs shall be of appropriate size and design and shall include the following: (*a*) The name of the licensee, (*b*) the license number of the warehouse, (*c*) whether the warehouseman is owner or lessee, and (*d*) the words "Public warehouse."

Other wording permitted.

Par. 3. Such other wording or lettering may appear in the sign or signs not inconsistent with the purpose of the act and these regulations, subject to the approval of the bureau.

Removal of signs at expiration or suspension of license.

Par. 4. The warehouseman shall immediately remove such signs upon the expiration of his license, or during periods of suspension thereof.

Par. 5. The warehouseman shall not permit signs to remain on his licensed property which might lead to confusion as to the tenancy.

Procedure to handle deteriorating canned foods.

SEC. 22. If the warehouseman considers that any canned foods in his warehouse are out of condition, or becoming so, he shall direct the licensed inspector to examine the canned foods in question, and, if such inspector finds such canned foods to be out of condition or becoming so, the warehouseman shall give immediate notice of the facts in the manner and to the persons specified in section 23, paragraphs 1, 2, and 3 of this regulation.

Contents of notice.

SEC. 23. *Paragraph 1.* The notice required by section 22 of this regulation shall state (*a*) the warehouse in which the canned foods are stored; (*b*) the quantity, kind, and grade of the canned foods at the time the notice is given; (*c*) the actual condition of the canned foods as nearly as can be ascertained, and the reason, if known, for such condition; and (*d*) the outstanding receipts covering the canned foods in question, giving the number and date of each such receipt and the quantity, the kind, and grade of the canned foods as stated in each such receipt.

Persons to whom notice shall be sent.

Par. 2. A copy of such notice shall be delivered in person or shall be sent by mail (*a*) to the persons holding the receipts if known to the warehouseman; (*b*) to the person who originally deposited the canned foods; (*c*) to any other persons known by the licensed warehouseman to be interested in the canned foods; (*d*) to the chief of the bureau; and (*e*) public notice shall also be given by posting a copy of such notice at the place where the warehouseman is required to post his license. If the holders of the receipts and the owners of the canned foods are known to the warehouseman and can not in the regular course of the mails be reached within 12 hours, the warehouseman shall, whether or not requested so to do, also immediately notify such persons by telegraph or telephone at their expense.

Notice to be posted.

Record of persons interested in receipt for canned foods.

Par. 3. Any person interested in any canned foods or the receipt covering such canned foods stored in a licensed warehouse may, in writing, notify the warehouseman of his interest, and such warehouseman shall

keep a record of that fact. If such person requests in writing that he be notified regarding the condition of any such canned foods and agrees to pay the cost of any telegraph or telephone toll charge, such warehouseman shall notify such person in accordance with such request.

If products not disposed of warehouseman to wire bureau.

Par. 4. If the canned foods advertised in accordance with the requirements of this regulation have not been disposed of by the owner thereof within five days from the dispatch of notice of their being out of condition, the warehouseman shall by telegraph advise the chief of the bureau that no action has been taken by the owner to dispose of the products affected and hold the products pending receipt of instructions from the chief of the bureau or his representative.

Warehouseman not relieved from exercising usual care at all times.

Par. 5. Nothing contained in this section shall be construed as relieving the warehouseman from properly caring for any canned foods after sending notification of their condition in accordance with this section.

Excess storage.

SEC. 24. If at any time a warehouseman shall be offered for storage in his warehouse canned foods in excess of the licensed capacity as shown on his license, he shall not accept such canned foods until he has first secured authority through an amended license, and after such authority has been granted, the warehouseman shall continue to so arrange the canned foods as not to obstruct free access thereto and the proper use of sprinklers or other fire-protection equipment provided for such warehouse.

Removal of canned foods from storage.

SEC. 25. Except as may be permitted by law or these regulations, a warehouseman shall not remove any canned foods from the warehouse, or the part thereof designated in the receipt, unless such receipt is first surrendered and canceled. If any canned foods are removed from the warehouse prior to the return and cancellation of the receipt, the warehouseman shall immediately notify the chief of the bureau of such removal and the necessity therefor.

Warehouseman must comply with State law and his contracts.

SEC. 26. Each warehouseman shall faithfully perform his obligations as a warehouseman under the laws of the State in which he is conducting his warehouse and such additional obligations as a warehouseman as may be assumed by him under contracts with the respective depositors of canned foods in such warehouse.

Fire loss to be reported by telegraph.

SEC. 27. If at any time a fire shall occur at or within any licensed warehouse, it shall be the duty of the warehouseman to report immediately by telegraph to the chief of the bureau the occurrence of such fire and the extent of damage.

Copies of inspection certificates to be filed.

SEC. 28. When an inspection or grade certificate has been issued by a licensed inspector a copy of such certificate shall be filed with the warehouseman in whose warehouse the canned foods covered by such certificate are stored, and such certificate shall become a part of the records of the warehouseman.

Regulation 6. Fees

Warehouse license fees.

SECTION 1. There shall be charged, assessed, and collected a fee of $2 for each warehouseman's license.

Warehouse inspection fees.

SEC. 2. There shall be charged, assessed, and collected for each original examination or inspection of a warehouse under the act, when such examination or inspection is made upon application by a warehouseman, a fee at the rate of $1 for each 2,000 cases of the storage capacity, or fraction thereof, determined in accordance with regulation 3, section 2, paragraph 1, but in no case less than $5 nor more than $100, and for each reexamination or reinspection applied for by such warehouseman a fee based on the extent of the reexamination or reinspection, proportioned to but not greater than that prescribed for the original examination or inspection.

Advance deposit.

SEC. 3. Before any warehouseman's license, modification, or extension thereof is granted, or before a reexamination or reinspection applied for by a warehouseman is made, the warehouseman shall deposit with the bureau the amount of the fee prescribed therefor. Such deposit shall be made in the form of a check, certified if required by the bureau, or post office or express money order, payable to the order of "Disbursing Clerk, U. S. Department of Agriculture."

Return of excess deposit.

SEC. 4. The disbursing clerk of the United States Department of Agriculture shall hold in his custody each advance deposit made under this regulation until the fee, if any, is assessed and he is furnished by the bureau with a statement showing the amount thereof and against whom assessed. Any part of such advance deposit which is not required for the payment of any fee assessed shall be returned to the party depositing the same.

Regulation 7. Licensed Inspectors

Licensed inspectors.

SECTION 1. *Paragraph 1.* Application for licenses to inspect canned foods under the act shall be made to the chief of the bureau on forms furnished for the purpose by him.

Application forms.

Par. 2. Each such application shall be signed by the applicant, shall be verified by him under oath or affirmation administered by a duly authorized officer, and shall

Contents.

contain or be accompanied by (*a*) satisfactory evidence that he has passed his twenty-first birthday; (b) the name and location of a warehouse or warehouses licensed, or for which application for license has been made under the act, in which canned foods sought to be inspected under such license are or may be stored; (*c*) a statement from the warehouseman conducting such warehouse showing whether the applicant is competent and is acceptable to such warehouseman for the purpose; (*d*) satisfactory evidence that he has had at least two years' experience in the inspection and grading of the kind of canned foods

for which a license is sought or the equivalent of such experience, and that he is competent to perform such services; (*e*) a statement by the applicant that he agrees to comply with and abide by the terms of the act and these regulations so far as the same may relate to him; and (*f*) such other information as the bureau may deem necessary, provided, that when an application for a license to inspect canned foods is filed by a person who does not intend to inspect for any particular licensed warehouseman but who does intend to inspect canned foods stored or to be stored in a licensed warehouse or warehouses and to issue inspector's certificates therefor, as provided for by the act and these regulations, independent of the warehouse receipts issued to cover such canned foods, it shall not be necessary to furnish such statement as is required by subdivision (*c*) of this paragraph.

Applicant must furnish additional information if requested.

Par. 3. The applicant shall at any time furnish such additional information as the Secretary or the chief of the bureau shall find to be necessary to the consideration of his application.

Examination.

SEC. 2. Each applicant for a license as an inspector and each licensed inspector shall, whenever requested by an authorized agent of the Department of Agriculture designated by the chief of the bureau for the purpose, submit to an examination or test to show his ability properly to perform the duties for which he is applying for license or for which he has been licensed.

Posting of license.

SEC. 3. Each licensed inspector shall keep his license conspicuously posted in the office where all or most of the inspecting is done.

Duties of inspector.

SEC. 4. Each inspector, when requested, shall, without discrimination, as soon as practicable, and upon reasonable terms, inspect and certificate the condition, and/or grade, of canned foods stored or to be stored in a licensed warehouse if such canned foods be offered to him under such conditions as permit proper inspection and the determination of the condition and/or grade thereof, as the case may be. Each such licensee shall give preference to persons who request his services as such over persons who request his services in any other capacity. No inspection certificate shall be issued under the act for canned foods not stored or not to be stored in a licensed warehouse.

Inspection certificate.

SEC. 5. Each inspection certificate issued under the act by a licensed inspector shall be in a form approved for the purpose by the bureau and shall embody within its written or printed terms (*a*) the caption "United States Warehouse Act Canned Foods Inspection Certificate"; (*b*) whether it is an original, duplicate, or other copy; (*c*) the name and location of the warehouse in which the canned foods are or are to be stored; (*d*) the date of

the certificate; (*e*) the location of the canned foods at the time of the inspection; (*f*) the identification or lot number of each lot of canned foods in accordance with regulation 5, section 9; (*g*) the number of cases in the lot; (*h*) the number of cans in each case and size of cans; (*i*) the grade of the canned foods; (*j*) the kind of canned foods; (*k*) the can or code marks of each lot, if any; (*l*) the title of the principal label, if labeled; (*m*) that the certificate is issued by a licensed inspector under the United States warehouse act and regulations thereunder; (*n*) a blank space in which any general remarks on the condition, grade, or other pertinent information may be shown; (*o*) any other matter not inconsistent with the act or these regulations, provided the approval of the bureau is first obtained; (*p*) the signature of the licensed inspector. Under no circumstances shall certificates be issued for products known to be in violation of Federal or State food and drugs laws.

Copies of certificates to be kept.

SEC. 6. Each licensed inspector shall keep for a period of one year in a place accessible to persons financially interested in the canned foods a copy of each certificate issued by him under these regulations and shall file a copy of each such certificate with the warehouse in which the canned foods covered by the certificate are stored.

Licensees to permit and assist in examination.

SEC. 7. Each licensed inspector shall permit any officer or agent of the Department of Agriculture, authorized by the Secretary for the purpose, to inspect or examine at any time his books, papers, records, and accounts relating to the performance of his duties under the act and these regulations, and shall, with the consent of the warehouseman concerned, assist any such officer or agent in the inspection or examination of records mentioned in section 11 of regulation 5, as far as any such inspection or examination relates to the performance of the duties of such licensed inspector or grader under the act and these regulations.

Reports.

SEC. 8. Each licensed inspector shall, from time to time, when requested by the bureau, make reports on forms furnished for the purpose by the bureau, bearing upon his activities as such licensed inspector.

Suspensions, revocations, or cancellation of inspector's license.

SEC. 9. Pending investigation, the Secretary may, whenever he deems necessary, suspend the license of an inspector temporarily without hearing. Upon a written request and a satisfactory statement of reasons therefor, submitted by the inspector, or when the inspector has ceased to perform such services at the warehouse, the Secretary may, without hearing, suspend or cancel the license issued to such inspector. The Secretary may, after opportunity for hearing, when possible, has been afforded in the manner prescribed in this section, suspend or cancel a license issued to an inspector when such inspector has in any manner become incompetent or incapacitated to perform the duties of a licensed inspector.

As soon as it shall come to the attention of a warehouseman that any of the conditions mentioned in this section exist, it shall be his duty to notify in writing the bureau. Before the license of any inspector is suspended or revoked pursuant to section 12 of the act, such licensee shall be furnished by the Secretary, or by his representative, a written statement specifying the charges, and shall be allowed a reasonable time within which he may answer the same in writing and apply for a hearing, an opportunity for which shall be afforded in accordance with regulation 10, section 4.

Return of suspended, revoked, or canceled inspector's license.

SEC. 10. *Paragraph 1.* If a license issued to an inspector is suspended, revoked, or canceled by the Secretary it shall be returned to the Secretary. At the expiration of any period of suspension of a license, unless in the meantime it be revoked or canceled, the dates of the beginning and termination of the suspension shall be indorsed thereon, and it shall be returned to the inspector to whom it was originally issued, and it shall be posted as prescribed in section 3 of this regulation, provided that in the discretion of the chief of the bureau a new license may be issued without reference to such suspension.

License terminates with warehouse license.

Par. 2. Any license issued to an inspector shall automatically terminate as to any warehouse whenever the license of such warehouse shall be suspended, revoked, or canceled. Thereupon the license of such inspector shall be returned to the Secretary. If such license is applicable to warehouses other than those for which the licenses have been suspended, revoked, or canceled, the Secretary shall issue a new license to the inspector, omitting the names of the warehouses for which licenses have been so suspended, revoked, or canceled. Such new licenses shall be posted as prescribed in section 3 of this regulation.

Lost or destroyed inspector's license.

SEC. 11. Upon satisfactory proof of the loss or destruction of a license issued to an inspector a duplicate thereof may be issued under the same or a new number, in the discretion of the Secretary.

Unlicensed inspectors must not represent themselves as licensed.

SEC. 12. No person shall in any way represent himself to be an inspector or grader under the act unless he holds an unsuspended, unrevoked, and uncanceled license under the act.

Regulation 8. Canned Foods Inspection and Classification

Kind, grade, and condition to be stated in accordance with regulations.

SECTION 1. Whenever the kind, grade, or other class or condition of canned foods is required to be or is stated for the purpose of this act and these regulations, it shall be stated in accordance with this regulation.

Standards to be used.

SEC. 2. Until such time as official marketing grades of the United States have been promulgated and are in effect, for the purpose of administering this act and these regulations, the kind and grade of canned foods shall be stated as far as applicable (*a*) in accordance with stand-

ards, if any, adopted by the Secretary of Agriculture under the Federal food and drugs act; (*b*) in the absence of Federal standards, in accordance with the State standards, if any, established in the State in which the warehouse is located; (*c*) in the absence of any State standards, in accordance with the standards, if any, adopted by any canned foods organization or by the canned foods trade generally in the locality in which the warehouse is located, subject to the disapproval of the chief of the bureau; or (*d*) in the absence of the aforesaid standards in accordance with any standards approved by the chief of the bureau.

Statement of kind, grade, and condition.

SEC. 3. Whenever the kind, grade, or other class or condition of canned foods is stated for the purposes of this act and these regulations, the terms used shall be correctly applied and shall be so selected as not to convey a false impression of the canned foods. In case of doubt as to the kind, grade, or condition of a given lot of canned foods, a determination shall be made of such facts by drawing samples fairly representative of the contents of the lot of canned foods offered for storage.

Regulation 9. Appeal of Grades

Method of appeal in case of dispute.

SECTION 1. *Paragraph 1.* If a question arises as to whether the kind, grade, or condition of the canned foods was correctly stated in a receipt or inspection certificate issued under the act or these regulations, the warehouseman concerned or any person financially interested in the canned foods involved may, after reasonable notice to the other party, submit the question to the chief of the bureau, who may appoint a committee to make a determination. The decision of the committee shall be final, unless the chief shall direct a review of the question. Immediately upon making its decision, the committee shall issue a certificate embodying its findings to the appellants and to the licensee or licensees involved.

New receipts or certificates to be issued.

Par. 2. If the decision of the committee be that the kind, grade, or condition was not correctly stated, the receipt or certificate involved shall be returned to and be canceled by the licensee who issued it, and the licensee shall issue in lieu thereof a new receipt or certificate embodying therein the statement of kind, grade, or condition in accordance with the findings of the committee.

Assessment of expenses.

Par. 3. All necessary and reasonable expenses of such determination shall be borne by the losing party, unless the chief of the bureau or his representative shall decide that the expense should be prorated between the parties.

Regulation 10. Miscellaneous

Regulations applicable to State warehouses.

SECTION 1. Every person applying for a license or licensed under section 9 of the act, shall, as such, be subject to all portions of these regulations except regulation

2, section 3, so far as they may relate to warehousemen. If there is a law of any State providing for a system of warehouses owned, operated, or leased by such State, a person applying for a license under section 9 of the act, to accept the custody of canned foods and to store the same in any of said warehouses, may, in lieu of a bond or bonds, complying with regulation 3, sections 1 and 2, file with the Secretary a single bond meeting the requirements of the act and these regulations, in such form and in such amount not less than $5,000, as he shall prescribe, to insure the performance by such person with respect to the acceptance of the custody of canned foods and their storage in the warehouses in such system for which licenses are or may be issued, of his obligations arising during the periods of such licenses, and in addition, if desired by the applicant, during the periods of any modifications or extensions thereof. In fixing the amount of such bond consideration shall be given, among other appropriate factors, to the character of the warehouses involved, their actual or contemplated capacity, the bonding requirements of the State, and its liability with respect to such warehouses. If the Secretary shall find the existence of conditions warranting such action, there shall be added to the amount of the bond so fixed a further amount, fixed by him, to meet such conditions.

Publications.

SEC. 2. Publications under the act and these regulations shall be made in service and regulatory announcements of the Bureau of Agricultural Economics, and such other media as the chief of that bureau may from time to time designate for the purposes.

Violations of act and the regulations to be reported.

SEC. 3. Every person licensed under the act shall immediately furnish the chief of the bureau any information which comes to the knowledge of such persons tending to show that any provision of the act or these regulations has been violated.

Procedure in hearings.

SEC. 4. For the purpose of a hearing under the act and these regulations, except regulation 9, the licensee involved shall be allowed a reasonable time, fixed by the Secretary or by an official of the Department of Agriculture designated by him for the purpose, within which affidavits and other proper evidence may be submitted. If requested by the licensee within such time, an oral hearing, of which reasonable notice shall be given, shall be held before, and at a time and place fixed by, the Secretary or an official of the Department of Agriculture designated by him for the purpose. The testimony of the witnesses at such oral hearing shall be upon oath or affirmation administered by the official before whom the hearing is held, when required by him. Such oral hearing may be adjourned by him from time to time. After reasonable notice to all parties concerned, the deposition of any witness may be taken at a time and place and before a person designated for the purpose by the Secretary or an official of the Department of Agriculture

authorized by the Secretary. Every written entry in the records of the Department of Agriculture made by an officer or employee thereof in the course of his official duty, which is relevant to the issue involved in a hearing, shall be admissible as prima facie evidence of the facts stated therein without the production of such officer or employee. Copies of all papers and all the evidence submitted or considered in such hearing shall be made a part of the records of the Department of Agriculture. The records and, when there has been an oral hearing other than by the Secretary, the recommendation of the official holding such oral hearing shall be transmitted to the Secretary for his consideration. Each party shall pay all expenses contracted by him in connection with any hearing under this section.

No conflict with State or Federal laws.

SEC. 5. Nothing in these regulations shall be construed to conflict with, or to authorize any conflict with, or in any way to impair or limit the effect or operation of the laws of any State relating to warehouses, warehousemen, or inspectors, nor shall these regulations be construed so as to limit the operation of any statute of the United States relating to warehouses, warehousemen, or inspectors now in force in the District of Columbia, or in any Territory or other place under the exclusive jurisdiction of the United States.

Amendments.

SEC. 6. Any amendment to, or revision of, these regulations, unless otherwise stated therein, shall apply in the same manner to persons holding licenses at the time it becomes effective as it applies to persons thereafter licensed under the act.

GENERAL REGULATIONS UNDER THE UNITED STATES WAREHOUSE ACT.

Regulation 1. Combination Warehouses.

One document and one license to cover several products.

SECTION 1. A license may be issued for the storage of two or more agricultural products in a single warehouse. Where such a license is desired, a single application, inspection, bond, record, report or other paper, document or proceeding relating to such warehouse, shall be sufficient unless otherwise directed by the chief of the bureau.

Amount of assets and bond needed for combination warehouses.

SEC. 2. Where such license is desired, the amount of the bond, net assets, and inspection and license fees shall be determined by the chief of the bureau in accordance with the regulations applicable to the particular agricultural product which would require the largest bond and the greatest amount of net assets and of fees if the full capacity of the warehouse was used for its storage.

UNITED STATES WAREHOUSE ACT.

[As amended July 25, 1919, and February 23, 1923.]

Title declared.

That this Act shall be known by the short title of "United States warehouse Act."

Terms construed.

Warehouse.

Person.

Warehouseman.

Receipt.

SEC. 2. That the term "warehouse" as used in this Act shall be deemed to mean every building, structure, or other protected inclosure in which any agricultural product is or may be stored for interstate or foreign commerce, or, if located within any place under the exclusive jurisdiction of the United States, in which any agricultural product is or may be stored. As used in this Act, "person" includes a corporation or partnership or two or more persons having a joint or common interest; "warehouseman" means a person lawfully engaged in the business of storing agricultural products; and "receipt" means a warehouse receipt.

Investigation, etc., of warehouses.

Classification.

SEC. 3. That the Secretary of Agriculture is authorized to investigate the storage, warehousing, classifying according to grade and otherwise, weighing, and certification of agricultural products; upon application to him by any person applying for license to conduct a warehouse under this Act, to inspect such warehouse or cause it to be inspected; at any time, with or without application to him, to inspect or cause to be inspected all warehouses licensed under this Act; to determine whether warehouses for which licenses are applied for or have been issued under this Act are suitable for the proper storage of any agricultural product or products; to classify warehouses licensed or applying for a license in accordance with their ownership, location, surroundings, capacity, conditions, and other qualities, and as to the kinds of licenses issued or that may be issued for them pursuant to this Act; and to prescribe, within the limitations of this Act, the duties of the warehousemen conducting warehouses licensed under this Act with respect to their care of and responsibility for agricultural products stored therein.

Duties of warehousemen.

Licenses to warehousemen.

Conditions of issue.

SEC. 4. That the Secretary of Agriculture is authorized, upon application to him, to issue to any warehouseman a license for the conduct of a warehouse or warehouses in acccordance with this Act and such rules and regulations as may be made hereunder: *Provided*, That each such warehouse be found suitable for the proper storage of the particular agricultural product or products for which a license is applied for, and that such warehouseman agree, as a condition to the granting of the license, to comply with and abide by all the terms of this Act and the rules and regulations prescribed hereunder.

Modification or extension of license.

SEC. 5. That each license issued under Sections 4 and 9 of this Act shall terminate as therein provided, or in accordance with the terms of this Act and the regulations thereunder, and may from time to time be modified or extended by a written instrument.

Bond to be filed.

SEC. 6. That each warehouseman applying for a license to conduct a warehouse in accordance with this Act shall, as a condition to the granting thereof, execute and file with the Secretary of Agriculture a good and sufficient bond to the United States to secure the faithful performance of his obligations as a warehouseman under the laws of the State, District, or Territory in which he is conducting such warehouse, as well as under the terms of this Act and the rules and regulations prescribed hereunder, and of such additional obligations as a warehouseman as may be assumed by him under contracts with the respective depositors of agricultural products in such warehouse. Said bond shall be in such form and amount, shall have such surety or sureties, subject to service of process in suits on the bond within the State, District, or Territory in which the warehouse is located, and shall contain such terms and conditions as the Secretary of Agriculture may prescribe to carry out the purposes of this Act, and may, in the discretion of the Secretary of Agriculture, include the requirements of fire insurance. Whenever the Secretary of Agriculture shall determine that a bond approved by him is, or for any cause has become, insufficient, he may require an additional bond or bonds to be given by the warehouseman concerned, conforming with the requirements of this section, and unless the same be given within the time fixed by a written demand therefor the license of such warehouseman may be suspended or revoked.

Conditions.

Sureties, terms, etc.

Additional bond.

Suit on bond.

SEC. 7. That any person injured by the breach of any obligation to secure which a bond is given, under the provisions of Sections 6 or 9, shall be entitled to sue on the bond in his own name in any court of competent jurisdiction to recover the damages he may have sustained by such breach.

Bonded warehouse.

Designation.

Conditions authorizing.

SEC. 8. That upon the filing with and approval by the Secretary of Agriculture of a bond, in compliance with this Act, for the conduct of a warehouse, such warehouse shall be designated as bonded hereunder; but no warehouse shall be designated as bonded under this Act, and no name or description conveying the impression that it is so bonded, shall be used, until a bond, such as provided for in Section 6, has been filed with and approved by the Secretary of Agriculture, nor unless the license issued under this Act for the conduct of such warehouse remains unsuspended and unrevoked.

Licenses for storage by persons not warehousemen.

Receipts and bond required.

SEC. 9. That the Secretary of Agriculture may, under such rules and regulations as he shall prescribe, issue a license to any person not a warehouseman to accept the custody of agricultural products and to store the same in a warehouse or warehouses owned, operated, or leased by any State, upon condition that such person agree to comply with and abide by the terms of this Act and the rules and regulations prescribed hereunder. Each person so licensed shall issue receipts for the agricultural products placed in his custody, and shall give bond, in accordance with the provisions of this Act and the rules and regulations hereunder affecting warehousemen licensed under this Act, and shall otherwise be subject to this Act and such rules and regulations to the same extent as is provided for warehousemen licensed hereunder.

Examination and inspection charges.

SEC. 10. That the Secretary of Agriculture shall charge, assess, and cause to be collected a reasonable fee for every examination or inspection of a warehouse under this Act when such examination or inspection is made upon application of a warehouseman, and a fee not exceeding $2 per annum for each license or renewal thereof issued to a warehouseman under this Act. All such fees shall be deposited and covered into the Treasury as miscellaneous receipts.

Deposit of fees.

Licenses to inspectors, samplers, classifiers, and weighers of products.

SEC. 11. That the Secretary of Agriculture may upon presentation of satisfactory proof of competency, issue to any person a license to inspect, sample or classify any agricultural product or products, stored or to be stored in a warehouse licensed under this Act, according to condition, grade or otherwise and to certificate the condition, grade or other class thereof, or to weigh the same and certificate the weight thereof, or both to inspect, sample or classify and weigh the same and to certificate the condition, grade or other class and the weight thereof, upon condition that such person agree to comply with and abide by the terms of this Act and of the rules and regulations prescribed hereunder so far as the same relate to him.

Conditions.

Suspension or revocation of licenses.

SEC. 12. That any license issued to any person to inspect, sample or classify or to weigh any agricultural product or products under this Act may be suspended or revoked by the Secretary of Agriculture whenever he is satisfied, after opportunity afforded to the licensee concerned for a hearing, that such licensee has failed to inspect, sample, or classify or to weigh any agricultural product or products correctly, or has violated any of the provisions of this Act or of the rules and regulations prescribed hereunder, so far as the same may relate to him, or that he has used his license or allowed it to be used for any improper purpose whatever. Pending investigation, the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without hearing.

Discrimination by licensed warehousemen forbidden.

SEC. 13. That every warehouseman conducting a warehouse licensed under this Act shall receive for storage therein, so far as its capacity permits, any agricultural product of the kind customarily stored therein by him which may be tendered to him in a suitable condition for warehousing, in the usual manner in the ordinary and usual course of business, without making any discrimination between persons desiring to avail themselves of warehouse facilities.

Deposits subject to terms of Act.

SEC. 14. That any person who deposits agricultural products for storage in a warehouse licensed under this Act shall be deemed to have deposited the same subject to the terms of this Act and the rules and regulations prescribed hereunder.

Inspection and grading of fungible products.

SEC. 15. That any fungible agricultural product stored for interstate or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this Act shall be inspected and graded by a person duly licensed to grade the same under this Act.

Separation of deposits.

SEC. 16. That every warehouseman conducting a warehouse licensed under this Act shall keep the agricultural products therein of one depositor so far separate from agricultural products of other depositors, and from other agricultural products of

the same depositor for which a separate receipt has been issued, as to permit at all times the identification and redelivery of the agricultural products deposited; but if authorized by agreement or by custom, a warehouseman may mingle fungible agricultural products with other agricultural products of the same kind and grade, and shall be severally liable to each depositor for the care and redelivery of his share of such mass, to the same extent and under the same circumstances as if the agricultural products had been kept separate, but he shall at no time while they are in his custody mix fungible agricultural products of different grades.

Mingling of fungible products permitted.

Separation of grades.

Issue of receipts for products actually stored.

SEC. 17. That for all agricultural products stored for interstate or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this Act original receipts shall be issued by the warehouseman conducting the same, but no receipts shall be issued except for agricultural products actually stored in the warehouse at the time of the issuance thereof.

Contents of receipt.

SEC. 18. That every receipt issued for agricultural products stored in a warehouse licensed under this Act shall embody within its written or printed terms (a) the location of the warehouse in which the agricultural products are stored; (b) the date of issue of the receipt; (c) the consecutive number of the receipt; (d) a statement whether the agricultural products received will be delivered to the bearer, to a specified person, or to a specified person or his order; (e) the rate of storage charges; (f) a description of the agricultural products received, showing the quantity thereof, or, in case of agricultural products customarily put up in bales or packages, a description of such bales or packages by marks, numbers, or other means of identification and the weight of such bales or packages; (g) the grade or other class of the agricultural products received and the standard or description in accordance with which such classification has been made: *Provided*, That such grade or other class shall be stated according to the official standard of the United States applicable to such agricultural products as the same may be fixed and promulgated under authority of law: *Provided further*, That until such official standards of the United States for any agricultural product or products have been fixed and promulgated, the grade or other class thereof may be stated in accordance with any recognized standard or in accordance with such rules and regulations not inconsistent herewith as may be prescribed by the Secretary of Agriculture; (h) a statement that the receipt is issued subject to the United States warehouse Act and the rules and regulations prescribed thereunder; (i) if the receipt be issued for agricultural products of which the warehouseman is owner, either solely or jointly or in common with others, the fact of such ownership; (j) a statement of the amount of advances made and of liabilities incurred for which the warehouseman claims a lien: *Provided*, That if the precise amount of such advances made or of such liabilities incurred be at the time of the issue of the receipt unknown to the warehouseman or his agent who issues it, a statement of the fact that advances have been made or liabilities incurred and the purpose thereof shall be sufficient; (k) such other terms and conditions within the limitations of

this Act as may be required by the Secretary of Agriculture; and (1) the signature of the warehouseman, which may be made by his authorized agent: *Provided*, That unless otherwise required by the law of the State in which the warehouse is located, when requested by the depositor of other than fungible agricultural products, a receipt omitting compliance with subdivision (g) of this section may be issued: *Provided, however*, The Secretary of Agriculture may in his discretion require that such receipt have plainly and conspicuously embodied in its written or printed terms a provision that such receipt is not negotiable.

Established standards to be promulgated.

SEC. 19. That the Secretary of Agriculture is authorized, from time to time, to establish and promulgate standards for agricultural products by which their quality or value may be judged or determined: *Provided*, That the standards for any agricultural products which have been, or which in future may be, established by or under authority of any other Act of Congress shall be, and are hereby, adopted for the purposes of this Act as the official standards of the United States for the agricultural products to which they relate.

Official standards adopted.

Issue of other than original receipts forbidden.

SEC. 20. That while an original receipt issued under this Act is outstanding and uncanceled by the warehouseman issuing the same no other or further receipt shall be issued for the agricultural product covered thereby or for any part thereof, except that in the case of a lost or destroyed receipt a new receipt, upon the same terms and subject to the same conditions and bearing on its face the number and date of the receipt in lieu of which it is issued, may be issued upon compliance with the statutes of the United States applicable thereto in places under the exclusive jurisdiction of the United States or upon compliance with the laws of any State applicable thereto in any place not under the exclusive jurisdiction of the United States: *Provided*, That if there be in such case no statute of the United States or law of a State applicable thereto such new receipts may be issued upon the giving of satisfactory security in compliance with the rules and regulations made pursuant to this Act.

Lost or destroyed receipts.

Delivery of products to holders of receipt.

SEC. 21. That a warehouseman conducting a warehouse licensed under this Act, in the absence of some lawful excuse, shall, without unnecessary delay, deliver the agricultural products stored therein upon a demand made either by the holder of a receipt for such agricultural products or by the depositor thereof if such demand be accompanied with (a) an offer to satisfy the warehouseman's lien; (b) an offer to surrender the receipt, if negotiable, with such indorsements as would be necessary for the negotiation of the receipt; and (c) a readiness and willingness to sign, when the products are delivered, an acknowledgment that they have been delivered if such signature is requested by the warehouseman.

Conditions.

Cancellation of receipts upon delivery.

SEC. 22. That a warehouseman conducting a warehouse licensed under this Act shall plainly cancel upon the face thereof each receipt returned to him upon the delivery by him of the agricultural products for which the receipt was issued.

Records to be preserved.

SEC. 23. That every warehouseman conducting a warehouse licensed under this Act shall keep in a place of safety complete and correct records of all agricultural products stored therein

and withdrawn therefrom, of all warehouse receipts issued by him, and of the receipts returned to and canceled by him, shall make reports to the Secretary of Agriculture concerning such warehouse and the condition, contents, operation, and business thereof in such form and at such times as he may require, and shall conduct said warehouse in all other respects in compliance with this Act and the rules and regulations made hereunder.

Reports of business operations.

Examination of stored products.

SEC. 24. That the Secretary of Agriculture is authorized to cause examinations to be made of any agricultural product stored in any warehouse licensed under this Act. Whenever, after opportunity for hearing is given to the warehouseman conducting such warehouse, it is determined that he is not performing fully the duties imposed on him by this Act and the rules and regulations made hereunder, the secretary may publish his findings.

Suspension or revocation of licenses.

SEC. 25. That the Secretary of Agriculture may, after opportunity for hearing has been afforded to the licensee concerned, suspend or revoke any license issued to any warehouseman conducting a warehouse under this Act, for any violation of or failure to comply with any provision of this Act or of the rules and regulations made hereunder or upon the ground that unreasonable or exorbitant charges have been made for services rendered. Pending investigation, the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without hearing.

Publications.

SEC. 26. That the Secretary of Agriculture from time to time may publish the results of any investigations made under Section 3 of this Act; and he shall publish the names and locations of warehouses licensed and bonded and the names and addresses of persons licensed under this Act and lists of all licenses terminated under this Act and the causes therefor.

Official examinations of records, etc.

SEC. 27. That the Secretary of Agriculture is authorized through officials, employees, or agents of the Department of Agriculture designated by him to examine all books, records, papers, and accounts of warehouses licensed under this Act and of the warehousemen conducting such warehouses relating thereto.

Regulations shall be made.

SEC. 28. That the Secretary of Agriculture shall from time to time make such rules and regulations as he may deem necessary for the efficient execution of the provisions of this Act.

State laws not impaired.

SEC. 29. That nothing in this Act shall be construed to conflict with, or to authorize any conflict with, or in any way to impair or limit the effect or operation of the laws of any State relating to warehouses, warehousemen, weighers, graders, inspectors, samplers or classifiers; but the Secretary of Agriculture is authorized to cooperate with such officials as are charged with the enforcement of such State laws in such States and through such cooperation to secure the enforcement of the provisions of this Act; nor shall this Act be construed so as to limit the operation of any statute of the United States relating to warehouses or warehousemen, weighers, graders, inspectors, samplers, or classifiers now in force in the District of Columbia or in any Territory or other place under the exclusive jurisdiction of the United States.

Cooperation with State authorities.

Operation of present laws.

Violations.

SEC. 30. That every person who shall forge, alter, counterfeit, simulate, or falsely represent, or shall without proper authority use, any license issued by the Secretary of Agriculture under this Act, or who shall violate or fail to comply with any provision of Section 8 of this Act, or who shall issue or utter a false or fraudulent receipt or certificate, or any person who, without lawful authority, shall convert to his own use, or use for purposes of securing a loan, or remove from a licensed warehouse contrary to this Act or the regulations promulgated thereunder, any agricultural products stored or to be stored in such warehouse and for which licensed receipts have been or are to be issued, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than $10,000, or double the value of the products involved if such double value exceeds $10,000, or imprisoned not more than one year, or both, in the discretion of the court, and the owner of the agricultural products so converted, used, or removed may, in the discretion of the Secretary of Agriculture, be reimbursed for the value thereof out of any fine collected hereunder, by check drawn on the Treasury at the direction of the Secretary of Agriculture, for the value of such products to the extent that such owner has not otherwise been reimbursed. That any person who shall draw with intent to deceive a false sample of, or who shall willfully mutilate or falsely represent a sample drawn under this Act, or who shall classify, grade or weigh fraudulently, any agricultural products stored or to be stored under the provisions of this Act, shall be deemed guilty of a misdemeanor and upon conviction thereof fined not more than $500 or imprisoned for not more than six months, or both, in the discretion of the court.

Appropriations for expenses.

SEC. 31. That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $50,000, available until expended, for the expenses of carrying into effect the provisions of this Act, including the payment of such rent and the employment of such persons and means as the Secretary of Agriculture may deem necessary in the city of Washington and elsewhere, and he is authorized, in his discretion, to employ qualified persons not regularly in the service of the United States for temporary assistance in carrying out the purposes of this Act, and out of the moneys appropriated by this Act to pay the salaries and expenses thereof.

Invalidity of any part not to affect remainder of act.

SEC. 32. That if any clause, sentence, paragraph, or part of this Act shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Amendments.

SEC. 33. That the right to amend, alter, or repeal this Act is hereby expressly reserved.

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